

*Independent Auditor's Report*

***Comanche County Facilities Authority***

*Year Ended June 30, 2022*

**COMANCHE COUNTY FACILITIES AUTHORITY  
LAWTON, OKLAHOMA  
June 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Trustees  
Comanche County Facilities Authority  
Lawton, Oklahoma

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying modified cash basis financial statements of the business-type activities of Comanche County Facilities Authority, Lawton, Oklahoma, a component unit of Comanche County as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the business-type activities of Comanche County Facilities Authority, Lawton, Oklahoma, as of June 30, 2022, and the respective changes in modified cash basis financial position, and cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described on Note 1.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Comanche County Facilities Authority, Lawton, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter – Basis of Accounting*

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

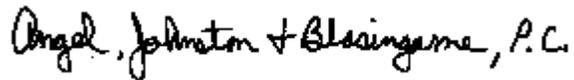
- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Chickasha, Oklahoma  
June 19, 2023

**COMANCHE COUNTY FACILITIES AUTHORITY**  
**Statement of Net Position - Modified Cash Basis**  
**June 30, 2022**

<b>ASSETS</b>	<u>Dentention Center</u>	<u>Non-Major Fund Emergency Management</u>	<u>Non-Major Fund Volunteer Fire Dept.</u>	<u>TOTAL</u>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 304,584	\$ 27,011	\$ 589,670	\$ 921,265
Restricted cash-inmate trust funds	<u>29,749</u>	<u>-</u>	<u>-</u>	<u>29,749</u>
<i>Total Current Assets</i>	334,333	27,011	589,670	951,014
<b>Non Current Assets</b>				
Capital assets-net of depreciation	<u>6,075,261</u>	<u>104,180</u>	<u>-</u>	<u>6,179,441</u>
<i>Total Assets</i>	<u>6,409,594</u>	<u>131,191</u>	<u>589,670</u>	<u>7,130,455</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payroll liabilities	7,708	470	-	8,178
Inmate trust funds payable	<u>29,749</u>	<u>-</u>	<u>-</u>	<u>29,749</u>
<i>Total Current Liabilities</i>	37,457	470	-	37,927
<b>Non Current Liabilities</b>				
Note payable CCHFA (BOK) fund	<u>302,354</u>	<u>-</u>	<u>-</u>	<u>302,354</u>
<i>Total Non Current Liabilities</i>	<u>302,354</u>	<u>-</u>	<u>-</u>	<u>302,354</u>
<i>Total Liabilities</i>	339,811	470	-	340,281
<b>NET POSITION</b>				
Net investment in capital assets	5,772,907	104,180	-	5,877,087
Restricted - inmate trust funds	29,749	-	-	29,749
Unrestricted	<u>267,127</u>	<u>26,541</u>	<u>589,670</u>	<u>883,338</u>
<i>Total Net Position</i>	<u>\$ 6,069,783</u>	<u>\$ 130,721</u>	<u>\$ 589,670</u>	<u>\$ 6,790,174</u>

The accompanying notes are an integral part of the financial statements.

**COMANCHE COUNTY FACILITIES AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Net Position - Modified Cash Basis**  
**For the Year Ended June 30, 2022**

	Detention Center	Non-Major Fund Emergency Management	Non-Major Fund Volunteer Fire Dept.	TOTAL
<b>Operating Revenues</b>				
Lease revenues from county sales tax	\$ 4,704,721	\$ 384,459	\$ 333,977	\$ 5,423,157
Contract revenues	380,988	24,616	-	405,604
Comanche county use tax	161,848	49,659	-	211,507
Inmate revenue	339,972	-	-	339,972
Grant revenue	-	1,000	-	1,000
ARPA Funds	331,580	29,869	-	361,449
Miscellaneous income	3,674	-	-	3,674
<i>Total Operating Revenues</i>	<u>5,922,783</u>	<u>489,603</u>	<u>333,977</u>	<u>6,746,363</u>
<b>Operating Expenses</b>				
Automobile expenses	22,962	9,466	-	32,428
Facilities maintenance	103,133	20,339	-	123,472
Depreciation expense	328,202	21,297	-	349,499
Inmate items	33,891	-	-	33,891
Inmate housing	878,081	-	-	878,081
Inmate medical expenses	13,330	-	-	13,330
Inmate uniforms/bedding	19,954	-	-	19,954
Inmate food costs	362,614	-	-	362,614
Insurance	153,909	45,748	-	199,657
Janitorial supplies	82,321	-	-	82,321
Medical Supplies	26,084	-	-	26,084
Office expense	82,756	10,040	-	92,796
Dues, permits and fees	765	2,699	-	3,464
Employment advertising	-	466	-	466
Equipment rental	17,492	-	-	17,492
Payroll expense - wages	2,270,600	206,555	-	2,477,155
Payroll expense - employee benefits & costs	840,664	66,428	-	907,092
Payroll taxes	211,725	18,348	-	230,073
ARPA Wages	267,128	24,059	-	291,187
Contract Labor	1,447	-	-	1,447
Professional fees	29,339	8,021	-	37,360
Staff uniforms, supplies & misc expenses	33,699	2,326	-	36,025
Supplies	5,941	3,255	-	9,196
Travel & training costs	14,554	1,264	-	15,818
Utilities	236,397	2,643	-	239,040
Telephone	16,162	11,372	-	27,534
Misc	424	-	-	424
Covid expense	140,552	-	-	140,552
Volunteer fire departments expenses	-	-	244,083	244,083
<i>Total Operating Expenses</i>	<u>6,194,126</u>	<u>454,326</u>	<u>244,083</u>	<u>6,892,535</u>
<i>Operating Income (Loss)</i>	<u>(271,343)</u>	<u>35,277</u>	<u>89,894</u>	<u>(146,172)</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest expense on loan	(2,618)	-	-	(2,618)
Fraudulent bank activity	(2,319)	-	-	(2,319)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(4,937)</u>	<u>-</u>	<u>-</u>	<u>(4,937)</u>
<i>Income (Loss) Before Transfers</i>	<u>(276,280)</u>	<u>35,277</u>	<u>89,894</u>	<u>(151,109)</u>
Transfers In/Out	6,472	(6,472)	-	-
<i>Change in Net Position</i>	<u>(269,808)</u>	<u>28,805</u>	<u>89,894</u>	<u>(151,109)</u>
<i>Net Position - Beginning of Year</i>	<u>6,339,591</u>	<u>101,916</u>	<u>499,776</u>	<u>6,941,283</u>
<i>Net Position - End of Year</i>	<u>\$ 6,069,783</u>	<u>\$ 130,721</u>	<u>\$ 589,670</u>	<u>\$ 6,790,174</u>

The accompanying notes are an integral part of the financial statements.

**COMANCHE COUNTY FACILITIES AUTHORITY**  
**Statement of Cash Flows - Modified Cash Basis**  
**For the Year Ended June 30, 2022**

	Detention Center	Non-Major Fund Emergency Management	Non-Major Fund Volunteer Fire Dept.	TOTAL
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	\$ 5,919,109	\$ 488,603	\$ 333,977	\$ 6,741,689
Payments to employees	(3,661,826)	(321,059)	-	(3,982,885)
Payments to suppliers	(2,319,158)	(117,639)	(244,083)	(2,680,881)
Other receipts (payments)	3,674	1,000	-	4,674
<i>Net Cash Provided by (used for) Operating Activities</i>	(58,201)	50,905	89,894	82,598
<b>Cash Flows from Noncapital Financing Activities</b>				
Fraudulent bank activity	(2,319)	-	-	(2,319)
Transfers to other funds	6,472	(6,472)	-	-
Payments for debt service (prin and int)	(177,618)	-	-	(177,618)
<i>Net Cash Provided by (used for) Noncapital Financing Activities</i>	(173,465)	(6,472)	-	(179,937)
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase of capital assets	(65,043)	(61,507)	-	(126,550)
<i>Net Cash Provided by (used for) Capital and Related Financing Activities</i>	(65,043)	(61,507)	-	(126,550)
 <i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	 (296,709)	 (17,074)	 89,894	 (223,889)
 <i>Cash and Cash Equivalents - Beginning of Year</i>	 631,042	 44,085	 499,776	 1,174,903
 <i>Cash and Cash Equivalents - End of Year</i>	 \$ 334,333	 \$ 27,011	 \$ 589,670	 \$ 951,014
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>				
Operating Income (Loss)	(271,343)	35,277	89,894	(146,172)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided (used) by Operating Activities				
Depreciation Expense	328,202	21,297	-	349,499
Increase (Decrease) in Payables	(43,351)	-	-	(43,351)
Increase (Decrease) in Payroll Liabilities	(71,709)	(5,669)	-	(77,378)
 <i>Net Cash Provided by (used for) Operating Activities</i>	 \$ (58,201)	 \$ 50,905	 \$ 89,894	 \$ 82,598

The accompanying notes are an integral part of the financial statements.

# COMANCHE COUNTY FACILITIES AUTHORITY

## Notes to Basic Financial Statements

For the Year Ended June 30, 2022

### Note 1 – Summary of Significant Accounting Policies

#### 1.A. Reporting Entity

Comanche County Facilities Authority, Lawton, Oklahoma, is a public trust created and established pursuant to Title 60, Oklahoma Statutes 1991, Section 176 et seq.; as amended and supplemented, the Oklahoma Trust Act and other applicable statutes and laws of the State of Oklahoma. The purpose of this trust is to stimulate economic growth and development of Comanche County; to inventory the services, facilities and resources of Comanche County, to own, operate and manage jails, prisons, correctional and related facilities; to foster and promote an improved economic climate within Comanche County and to otherwise promote its general welfare and prosperity and to finance any and all programs, utilities, facilities or resources promoting or intending to promote any of the foregoing and, without restriction, in furtherance of the foregoing general objectives. The Authority also operates the Emergency Management System and distributes sales tax to the County Volunteer Fire Departments.

#### Related Organizations

Comanche County - Comanche County is the beneficiary of this public trust. The elected Comanche County commissioners are the Authority's trustees. Therefore, the Authority is considered to be a component unit of Comanche County.

The accompanying financial statements include all functions and activities over which the Authority exercises financial accountability. Comanche County Facilities Authority is a component unit of the governmental entity of Comanche County, Oklahoma. Comanche County's financial information is not presented in these financial statements. Comanche County financial audits are readily obtainable at [www.sai.ok.gov](http://www.sai.ok.gov), the State Auditor's website.

#### 1.B. Basis of Presentation

The Authority's funds are enterprise funds. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. All the activities of the Authority are business type activities. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

**COMANCHE COUNTY FACILITIES AUTHORITY**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2022**

**Note 1 – Summary of Significant Accounting Policies, (continued)**

**1.B. Basis of Presentation (continued)**

**Proprietary Funds**

**1. Enterprise Funds** - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. The reporting entity includes the following enterprise funds:

**Major Enterprise Funds:**

Detention Center – Accounts for the activities of the public trust in providing jail facilities.

**Non-Major Enterprise Funds:**

Emergency Management – Accounts for the emergency management services provided to the county.

Volunteer Fire Department – Provides funding to various County Volunteer Fire Departments.

**1.C. Measurement Focus and Basis of Accounting**

Measurement focus refers to how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recognized and recorded in the financial statements regardless of the measurement focus applied.

The Authority's financial statements use the economic resources measurement focus and are presented on the modified cash basis of accounting. Revenues are recognized when they are received and expenses are recorded when paid with the following modifications:

- Capital assets are recorded when purchased and related depreciation is recorded.
- Employee payroll withholding that have not been deposited with the appropriate parties but relate to compensation paid are recorded as liabilities.
- Inmate trust funds charges due but not disbursed are recorded as liabilities.
- Long-term debt is recorded when incurred.

**COMANCHE COUNTY FACILITIES AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 1 – Summary of Significant Accounting Policies, (continued)**

**1.C. Measurement Focus and Basis of Accounting (continued)**

This basis is a basis of accounting other than accounting principles generally accepted in the United States of America. If the Authority utilized the basis of accounting recognized as generally accepted, the financial statements would use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred.

**1.D. Assets, Liabilities and Net Position**

Cash and Cash Equivalents – For the purposes of the statement of cash flows, the Authority considers all cash on hand, demand deposits, interest bearing checking accounts and time deposit accounts including certificates of deposit and U.S. Treasury bills with maturities of three months or less to be cash and cash equivalents.

Restricted Assets – Restricted assets include assets that are legally restricted as to their use. The primary restricted assets are related to inmate trust funds.

Capital Assets – Capital assets are capitalized and stated at cost. Depreciation of exhaustible capital assets is recorded as an expense over the estimated useful lives using the straight-line method. The Authority does not have a capitalization threshold amount.

The range of estimated useful lives by type of asset is as follows:

Jail Facilities	40 Years
Food Service Equipment	25 Years
Equipment/Vehicles	7 - 10 Years
Emergency Mgmt	7 - 10 Years

Current Liabilities – Current liabilities of the Authority include payroll liabilities and inmate trust funds. Inmate trust funds consist of restricted funds received from inmates to pay for miscellaneous expenses incurred during incarceration. The money is payable to inmates upon release if any funds remain after payment of all expenses.

Non-Current Liabilities – Long-term debt to be repaid from Authority resources are reported as non-current liabilities in the Statement of Net Position. The long-term debt is presently comprised of one note (See Note 5).

**COMANCHE COUNTY FACILITIES AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**1.D. Assets, Liabilities and Net Position (continued)**

Net Position – Net Position is divided into three components:

- a. *Net Investment in Capital Assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvements of those assets.
- b. *Restricted net position* – Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – All other net assets that do not meet the definition of “restricted” or “net investment in capital assets.”

It is the Authority’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**1.E. Revenues and Expenses**

Operating and Non-operating Revenues – Operating revenues are considered those whose cash flows are related to operating activities, while revenues related to financing, capital and investing activities are reported as non-operating.

Expenses – The Authority reports expenses relating to the use of economic resources.

**1.F. Estimates**

Certain estimates are made in the preparation of these modified cash basis financial statements, such as estimated lives for capital assets depreciation. Estimates are based on management’s best judgments and may vary from actual results.

**Note 2 – Deposits, Investments, and Collateral**

Deposits and Investments – The Authority does not have a written investment policy that limits its investment choices. Investments are limited by *Oklahoma Statutes* and the trust indenture.

**COMANCHE COUNTY FACILITIES AUTHORITY**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2022**

**Note 2 – Deposits, Investments, and Collateral, (continued)**

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. The Authority does not have a written policy for custodial risk, but *Oklahoma Statutes* require collateral for all uninsured deposits of public trust funds in financial institutions. The Federal Deposit Insurance Corporation insures deposits up to \$250,000 at each institution for all demand deposit accounts and up to \$250,000 at each institution for all time and savings accounts. At June 30, 2022, the Authority was not exposed to custodial credit risk.

**Note 3 – Restricted Assets**

The amounts reported as restricted assets on the Statement of Net Position consist of funds restricted for inmates. The restricted assets as of June 30, 2022 were as follows:

<u>Type of Restricted Assets</u>	<u>Restricted Cash and Cash Equivalents</u>
Inmate Trust Funds	<u>\$ 29,749</u>

**Note 4 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Depreciable Assets:</b>				
Facilities	\$ 10,640,279	\$ 36,661	\$ -	\$10,676,940
Food Service Equipment	143,247	12,248	-	155,495
Equipment	399,641	21,330	-	420,971
Computer & Software Equipment	125,972	5,547	-	131,519
Furniture & Fixtures	24,503	-	-	24,503
Vehicles	<u>256,529</u>	<u>50,764</u>	-	<u>307,293</u>
Total Depreciable Assets	<u>11,590,171</u>	<u>126,550</u>	-	<u>11,716,721</u>
Less Accumulated Depreciation	<u>(5,187,781)</u>	<u>(349,499)</u>	-	<u>(5,537,280)</u>
<b>Total Capital Assets, Net</b>	<u>\$ 6,402,390</u>	<u>\$ (222,949)</u>	<u>\$ -</u>	<u>\$ 6,179,441</u>

Depreciation expense for the year was charged to functions as follows:

**Business-type Activities:**

Detention Center	\$ 328,202
Emergency Management	<u>21,297</u>

Total depreciation expense for business-type activities \$ 349,499

**COMANCHE COUNTY FACILITIES AUTHORITY**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2022**

**Note 5 – Long-term Debt/ Line of Credit**

**Note Payable** – Comanche County Facilities Authority Sales Tax Anticipation Note, Series 2014 - In August 2014 the Authority approved a resolution to issue a sales tax anticipation note. This note is a Supplemental Indenture of the Sales Tax Revenue Bonds Series 2001 and is a revolving line of credit with outstanding principal limited to \$900,000. This note was funded by the Comanche County Home Finance Authority, to fund jail improvements and operational costs until the increased sales tax collections were realized. Initial funding was \$750,000 leaving \$150,000 unused line of credit. Bank of Oklahoma Finance is the trustee of the funds. Repayment is at the discretion of the Authority Board, as funds become available. Loan principal must be paid by December 31, 2022, the maturity date. The interest rate is variable and determined as the best rate for a 1 year Certificate of Deposit at BancFirst of Lawton, Oklahoma, on the anniversary month, August. This note is secured by a Sales Tax Agreement between the Authority and the County. In 2001, the Authority issued bonds payable from the proceeds of a one-fourth of one percent (1/4%) sales tax for the purpose of constructing and equipping the Comanche County jail facilities, which bonds have been retired. That percentage was reduced and extended in 2007 and has now been replaced by three-eighths of one percent (3/8%) sales tax approved by the voters and became effective January 1, 2015. In the event a default occurs with respect to this note, the holder hereof shall be entitled to recover from the Authority, in addition to all other sums then due, the holder’s reasonable costs of collection, including a reasonable fee for the holder’s attorney.

Changes in long-term obligations for the year ended June 30, 2022, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Balance Due in 1 year</u>
<b>Business-type Activities:</b>					
Notes from direct borrowings	\$ 477,354	\$ -	\$ 175,000	\$ 302,354	\$ -

**Note 6 – Employee Pension Plans**

**Plan Description** – The Comanche County Facilities Authority, as the employer, participates in the Oklahoma Public Employees Retirement Plan - a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Title 74 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the OPERS. OPERS issues a publicly available financial report that can be obtained at [www.opers.ok.gov](http://www.opers.ok.gov).

**COMANCHE COUNTY FACILITIES AUTHORITY**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2022**

**Note 6 – Employee Pension Plans, (continued)**

**Benefit Provisions** – OPERS provides retirement, disability, and death benefits to members of the plan. Members qualify for full retirement benefits at their specified normal retirement age or, for any person who became a member prior to July 1, 1992, when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80), and for any person who became a member after June 30, 1992, when the member's age and years of credited service equals 90 (Rule of 90).

Normal retirement date is further qualified to require that all members employed on or after January 1, 1983 must have six or more years of full-time equivalent employment with a participating employer before being eligible to receive benefits. Credited service is the sum of participating and prior service. Prior service includes nonparticipating service before January 1, 1975, or the entry date of the employer and active wartime military service.

A member with a minimum of ten years of participating service may elect to early retirement with reduced benefits beginning at age 55 if the participant became a member prior to November 1, 2011, or age 60 if the participant became a member on or after November 1, 2011.

Benefits are calculated for each member category as follows:

Employees

Benefits are determined at 2% of the average annual salary received during the highest thirty-six months of the last ten years of participating service, but not to exceed the applicable annual salary cap, multiplied by the number of years of credited service. Members who join OPERS on or after July 1, 2013, will have their salary averaged over the highest 60 months of the last ten years. Normal retirement age under the Plan is 62 or Rule of 80/90 if the participant became a member prior to November 1, 2011, or age 65 or Rule of 90 if the participant became a member on or after November 1, 2011.

Members who elect to pay the additional contribution rate, which became available in January 2004, will receive benefits using a 2.5% computation factor for each full year the additional contributions are made. In 2004, legislation was enacted to provide an increased benefit to retiring members who were not yet eligible for Medicare. The Medicare Gap benefit option became available to members under age 65 who retired on or after May 1, 2006. Members may elect to receive a temporary increased benefit to cover the cost of health insurance premiums until the member is eligible to receive Medicare. After the member becomes eligible for Medicare, the retirement benefit will be permanently reduced by an actuarially determined amount. The option is irrevocable, must be chosen prior to retirement, and is structured to have a neutral actuarial cost to the Plan.

**COMANCHE COUNTY FACILITIES AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 7 – Employee Pension Plans, (continued)**

Members become eligible to vest fully upon termination of employment after attaining eight years of credited service, or the members' contributions may be withdrawn upon termination of employment.

Disability retirement benefits are available for members having eight years of credited service whose disability status has been certified as being within one year of the last day on the job by the Social Security Administration. Disability retirement benefits are determined in the same manner as retirement benefits, but payable immediately without an actuarial reduction.

Upon the death of an active member, the accumulated contributions of the member are paid to the member's named beneficiary(ies) in a single lump sum payment. If a retired member elected a joint annuitant survivor option or an active member was eligible to retire with either reduced or unreduced benefits or eligible to vest the retirement benefit at the time of death, benefits can be paid in monthly payments over the life of the spouse if the spouse so elects.

Upon the death of a retired member, the Plan will pay \$5,000 death benefit to the member's beneficiary or estate of the member if there is no living beneficiary. The death benefit will be paid in addition to any excess employee contributions or survivor benefits due to the beneficiary.

**Funding Policy** - The contribution rates for each member category of the Plan are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates. Employees are required to contribute 3.5% of their annual pay. Participating entities are required to contribute 16.5% of the employees' annual pay.

The Authority's contributions to the Plan for the years ending:

June 30, 2018	\$318,595
June 30, 2019	\$312,734
June 30, 2020	\$349,718
June 30, 2021	\$343,882
June 30, 2022	\$432,954

**Note 8 – Lease Agreement and Operation and Maintenance Contract**

On July 1, 2001 the County (lessor) and the Authority (lessee) entered into a lease agreement and operation and maintenance contract, whereby the Authority leases the jail facilities from the County and agrees to operate and maintain the jail facilities or to pay the cost thereof. The lease term commences July 1, 2001 and ends June 30, 2041, unless terminated sooner: provided that all indebtedness secured by the facilities has been paid.

## COMANCHE COUNTY FACILITIES AUTHORITY

### Notes to Basic Financial Statements

For the Year Ended June 30, 2022

#### **Note 9 – Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority participates in a risk pool to cover these risks, including general and auto liability, property damage, public officials' liability and blanket bond coverage. The risk pool is the Association of County Commissioners of Oklahoma-Self Insured Group (ACCO-SIG) that operates as a common risk management and insurance program and is to be self-sustaining through member premiums. If claims exceed pool assets, the Authority would have to pay its share of the pool deficit. The lines of coverage and limits of liability afforded by ACCO-SIG are subject to a \$10,000 deductible and are as follows: Blanket Bond Coverage \$100,000, Comprehensive General Liability \$1,000,000, and Public Officials Wrongful Acts, \$2,000,000. The pool has not assessed additional premiums to be paid by its members in the past three years.

The Authority also participates in a risk pool for Workers' Compensation coverage. The risk pool is the Association of County Commissioners of Oklahoma-Self Insured Fund that operates as a common risk management and insurance program and is to be self-sustaining through member premiums. If claims exceed pool assets, the Authority would have to pay its share of the pool deficit. The pool has not assessed additional premiums to be paid by its members in the past three years.

There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three fiscal years.

#### **Note 10 – Commitments and Contingencies**

##### Compensated Absences

As a result of the Authority's use of the modified cash basis of accounting, accrued liabilities related to compensated absences (accumulated but unused vacation leave, compensatory time earned but unpaid at year-end and banked holiday) are not reflected in the financial statements. At June 30, 2022 the liabilities are as follows: the Detention Center \$599,456 and Emergency Management \$13,711.

#### **Note 11 – Subsequent Events**

Management has evaluated subsequent events through the date the financial statements were available to be issued and has determined that no additional information needs to be added to the financial statements.

# *Report on Internal Control and Compliance*

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Board of Trustees  
Comanche County Facilities Authority  
Lawton, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the business-type activities of the Comanche County Facilities Authority, Lawton, Oklahoma, a component unit of Comanche County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated, June 19, 2023. Our report on the financial statements disclosed, that, as described in Note 1 to the financial statements, the Authority prepares its financial statements on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Comanche County Facilities Authority, Lawton, Oklahoma's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant

deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. 2022-001

### **Report on Compliance and Other Matters**

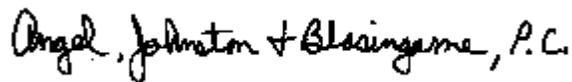
As part of obtaining reasonable assurance about whether Comanche County Facilities Authority, Lawton, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2022-001.

### **Comanche County Facilities Authority, Lawton, Oklahoma's, Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Comanche County Facilities Authority, Lawton, Oklahoma's response to the findings identified in our audit and described in the accompanying corrective action plan. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Chickasha, Oklahoma  
June 19, 2023

**COMANCHE COUNTY FACILITIES AUTHORITY**  
**Schedule of Findings and Responses**  
**For the Year Ended June 30, 2022**

2022-001 *Criteria* – Proper purchasing procedures indicate that the signature of the person receiving the goods or services be denoted on the face of the invoice or packing slip.

*Condition* – During our testing of the expenditure program, we noted 6 out of 13 – Emergency Management and 7 out of 13 – Volunteer Fire Department were not signed to acknowledge the receipt of goods or services.

*Cause* – Internal controls regarding proper purchasing procedures are not being followed.

*Effect or Potential Effect* – There is an increased risk of fraud and there is a more than low chance of irregularities and errors occurring and not being detected.

*Recommendation* – We recommend that all invoices be initialed or signed denoting that the good/service has been received.

*Management Response* – See Corrective Action Plan.

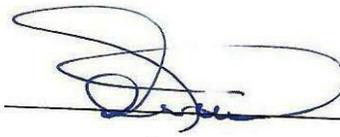
***AUTHORITY'S CORRECTIVE ACTION PLAN***

AUDIT FINDINGS  
CORRECTIVE ACTION PLAN

AUDIT YEAR 2021-2022

AUDIT FINDING REFERENCE NUMBER: 2022-001

MANAGEMENT RESPONSE: Management will convey to each department the necessity of initialing & signing invoices each time goods & services are received



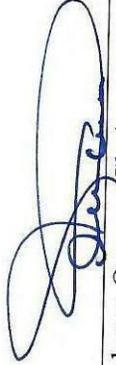
Board Chairman

July 3, 2023

Date

Dated this 3<sup>rd</sup> day of July, 2023

COMANCHE COUNTY FACILITIES AUTHORITY  
COMANCHE COUNTY, OKLAHOMA

  
\_\_\_\_\_  
Johnny Owens, Chairman

  
\_\_\_\_\_  
Josh Powers, Vice Chairman

  
\_\_\_\_\_  
John O'Brien, Member



ATTEST:

  
\_\_\_\_\_  
Carrie Tubbs, County Clerk

\*\*Corrective Action Plan for Fac.  
Auth. Audit for YE 2022